# FITCH AFFIRMS TDA 26 MIXTO AND TDA 29, FTA - OUTLOOK CHANGES

Fitch Ratings-London/Madrid-18 September 2008: Fitch Ratings has today affirmed TDA 26 Mixto and TDA 29, Fondo de Titulizacion de Activos RMBS transactions. The transactions are backed by mortgages loans originated by Banca March and Banco Guipuzcoano. The rating actions are as follows:

TDA 26
Class 1-A2 (ISIN ES0377953015): affirmed at 'AAA'; Outlook Stable
Class 1-B (ISIN ES0377953023): affirmed at 'A'; Outlook Stable
Class 1-C (ISIN ES0377953031): affirmed at 'BBB'; Outlook Negative
Class 1-D (ISIN ES0377953049): affirmed at 'CCC'; Outlook Stable
Class 2-A (ISIN ES0377953056): affirmed at 'AAA'; Outlook Stable
Class 2-B (ISIN ES0377953064): affirmed at 'A-' (A minus); Outlook Stable
Class 2-C (ISIN ES0377953072): affirmed at 'CCC'; Outlook Stable
Class 1-A1 (ISIN ES0377953007): paid in full January 2008

TDA 29
Class A1 (ISIN ES0377931003): affirmed at 'AAA'; Outlook Stable
Class A2 (ISIN ES0377931011): affirmed at 'AAA'; Outlook Stable
Class B (ISIN ES0377931029): affirmed at 'A'; Outlook changed to Negative from Stable.
Class C (ISIN ES0377931037): affirmed at 'BBB'; Outlook changed to Negative from Stable.
Class D (ISIN ES0377931045): affirmed at 'CCC'; Outlook Stable

TDA 26 has issued two groups of notes; Group 1 notes, comprising only first-ranking mortgages with loan-to-value ratios (LTVs) under 80% and Group 2 notes, backed by first and second-ranking mortgage loans with LTVs above 80%. To date the Group 1 pool has seen a higher level of loans in arrears by more than three months, accounting for 1.21% of the pool as of July 2008, 24 months after closing. Group 2 arrears are almost half that level, accounting for 0.69% of the pool at of the July investor report. The outlook negative in place of the Class 1-C (Group 1) reflect the high arrears and defaults to date.

Increasing levels of defaults produced a slight draw of the group 1 reserve fund (RF) in October 2007. At the next interest payment date (IPD) the RF was topped up and has remained at its required level since then. The portfolios are concentrated in the Balearic and Canary islands, which represent 44% and 74% of the group 1 and 2, respectively.

TDA 29 has a single pool combining both portfolios. Arrears have shown an upward trend since closing, reaching 0.87% in the last reported month. Defaults are defined as loans more than 12 months in arrears and because the deal is in its early stages defaults have only been reported in two months, reaching 0.04%. Arrears levels and the current and projected level of defaults are higher than expected at closing, prompting the change of outlooks.
The arrears pipeline shows that the pace of new defaults is likely to increase in the next quarter. Given the guaranteed excess spread of 0.55% that the transaction has, this does not necessarily mean that the reserve fund will draw. At closing the portfolio was geographically concentrated in the Balearic Islands and Canary Islands and represented 32.52% of the portfolio.

Both sellers are medium-sized, regional Spanish banks with c.250 branches. Guipuzcoano's activities are concentrated in the Basque Country whereas Banca March operates mainly in the Balearic Islands.

Fitch has employed its credit-cover multiple methodology in reviewing these transactions to assess the level of credit support available to each class of notes.

Rating Outlooks for European structured finance tranches provide forward-looking information to the market. An Outlook indicates the likely direction of any rating change over a one- to two-year period. For further information on Rating Outlooks, please see Fitch's "Scanning the Horizon - Rating Outlooks in European Structured Finance" report, dated 1 June 2007 and available at www.fitchratings.com. Further commentary and performance data on these transactions are available at www.fitchresearch.com.

For topical commentary on the European structured finance market, along with global capital markets coverage, please see www.fitchratings.com/capitalmarkets.

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